

NEW YORK, Dec. 27.—Silver, 86½c; lead, 67-10c bid; spelter, 7½c bid; copper, 23½c.

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UTAH—Fair in south; unsettled and colder in north portion tonight and Friday.

## Government Takes Over Railroads and May Operate Telegraph and Telephone

### WILSON WILL ASK CONGRESS FOR BIG SUM OF MONEY

WASHINGTON, Dec. 27.—Preliminary for actual taking over the railroads by the government at noon tomorrow moved forward swiftly today and overshadowed all other war activities in the capital.

Although approved by the great majority of railroad men, there was some disposition toward criticism in congress, principally on the ground that the congress proposed to allow the railroads too much, but there was no indication that the president's plan would be seriously opposed and everything was prepared for enacting necessary laws quickly after the president explains the situation soon in an address to congress.

Many members of the house and senate predicted that the step was only the beginning of government operation and control and that it would soon extend to telegraph and telephone lines, if not indeed to the distribution of life's necessities.

Director-General McAdoo spent the day in intensive study of problems which must be solved at the outset. President Wilson conferred with the heads of the four great railway brotherhoods. It appeared probable that the latest demand for increases in pay would be handled by a committee of managers, to be appointed by Mr. McAdoo.

The interstate commerce committee in congress began a survey of the legislation they will prepare to carry the president's plans into effect.

WASHINGTON, Dec. 27.—One of the first acts of the government in beginning operation of railroads will be to reduce large salaries now being paid to the railway executives and increase in some measure the wages of the railway workers.

Securities to be issued while the government is in control will be at interest rates not less than 4 per cent and the issues will be made under joint authority of the director-general and the interstate commerce commission.

President to Ask for Power.

President Wilson when he outlines the government's plans in his forthcoming address to congress will ask that the government be empowered to buy any quantity of new railroad securities. All earnings over and above an amount to be agreed upon will go to the government.

Congress will be asked also to appropriate a large fund—probably \$200,000,000—for the immediate supply of rolling stock to handle the flood of traffic which has swamped the roads.

The director-general will have authority to decide whether the government shall also assume operation and control of the express companies.

President Wilson will recommend to congress that the railroads be guaranteed the average net income of the three years ending June 30, 1917, but any railroad may abide by its constitutional right and refuse to accept this basis of compensation. In that case the question will pass to an arbitrating body, the precise nature of which is to be determined by congress.

Expect to Save by Centralizing.

The equipment fund will also be used to pay any deficit of earnings this year under the pre-war average or the amount agreed upon, but officials who have given the situation close study believe it may be unnecessary to expend any great sum in this way. They believe that the government by eliminating wasteful competition and unnecessary expenses under a common control can save hundreds of millions of dollars. Some officials even estimate that the saving will be a billion dollars a year and that the government will be able to garner revenue from the government operation plan in addition to insuring railroad securities holders against loss.

Roads to Provide Securities.

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Roads to Provide Securities.

TO SPIES: HERE IS MAN TO FEAR



J. L. O'BRIEN

Spies in America have reason to fear this man. He is rated as one of the ablest lawyers in the country. He is in charge of the war activities of the department of justice, under Attorney General Gregory. O'Brien is a Republican and was district attorney of New York under the Taft administration but politics cut him for war work.

### STOCKS SOAR TO HIGH POINT

President's Decision to Take Over Railroads Brings Wave of Satisfaction.

STANDARD SHARES JUMP

Railroad List Bid Up Furiously From Bottom to Top at Opening.

NEW YORK, Dec. 27.—President Wilson's proclamation taking over control of railroads with guarantees as to earnings was reflected in Wall Street today by one of the most sensational advances in stocks seen in years. Four months prices have been falling and many railroad issues had reached the lowest levels in their history. The news that earnings were to be guaranteed and that the prevalence of uncertainty as to the future of railroads was at an end, acted like a sharp spur to a jaded horse.

The market leaped forward at the outset, prices jumping 5 to 18 points above yesterday's close and although there were recessions later the buying continued strong and vigorous. Much of the early advances were effected at the expense of a formidable short interest. This faction rushed to cover at the opening and was kept busy throughout the active first hour.

Sales throughout the first hour approximated 400,000 shares.

NEW YORK, Dec. 27.—Stocks soared at the opening of the stock market today, denoting the satisfaction of the financial community with the president's decision to take over the railroads.

In the railroad list, all the standard shares were bid up furiously. New York Central advanced 7½ points to 71; New Haven 2½ to 29; Erie 2½ to 16; "Soo" 4 to 81; Reading 2½ to 70½; Southern Pacific 6¼ to 84; Union Pacific 8¼ to 112; Southern Railway 2½ to 24½.

St. Paul jumped 11½ points to 48; Atchafalpa 9½ to 87½; Delaware & Hudson 8 points to 100; Canadian Pacific 4 points to 134; Norfolk & Western 7½ points to 104.

Baltimore & Ohio, which hilly yesterday made a new low record, recorded a gain of 17 points, Delaware & Hudson later jumped another 6 points making a total advance of 14 points within about ten minutes.

The advance spread to all the other parts of the list including war shares and utilities. The latter issues, including telephone and telegraph stocks, strengthened perceptibly as a result of being embraced in the general order of the president's proclamation.

Profit taking in the first ten minutes caused recessions of 2 to 5 points among the stocks making greatest gains.

The advances in Canadian Pacific and its subsidiary "Soo" were attributed to the higher rates assured by the dominion government.

COAST MAKES GREAT RED CROSS DRIVE

### GERMAN FAIL IN ATTACKS

Violent Bombarding of French Lines on Verdun Front.

ARTILLERY ACTIVE

Eleven Austro-German Airplanes Brought Down by British and Italians.

PARIS, Wednesday, Dec. 26.—The Germans made two attacks on the Verdun front today but were not able to break through the French lines, the war office reports.

The statement follows: "On the right bank of the Meuse (Verdun front) the enemy, after a very violent bombardment, made two attacks on our positions at Carrières wood. He was not able to break through our lines and left many dead on the ground."

"There was heavy artillery fighting in the region north of St. Quentin and in the sector of Sapigneul."

"Macedonian front: On December 25 there was no event of importance."

LONDON, Dec. 27.—"Except for some hostile artillery activity north and east of Ypres," Field Marshal Haig reported today to the British war office, "there was nothing to report last night."

PARIS, Dec. 27.—In the week ending December 22 one French steamer of more than 1600 tons and one of less than that tonnage were sunk by submarines and mines. No fishing vessels were lost.

LYONDON, Dec. 27.—The Pullman works, employing 30,000 men, and the Petrograd Metallurgical works, employing 8000, have begun to pay off their men, according to a Reuter's dispatch from Petrograd.

LONDON, Dec. 27.—Ukrainian forces, according to a report received from Petrograd, have occupied the headquarters of the Fourth, Eighth and Eleventh armies on the Rumanian and southwestern fronts. Those who resisted were disarmed and a quantity of guns and rifles was seized. The Ukrainians have occupied the station at Brailoff and disarmed the guards.

A telegram received in Petrograd from Tomsk reports fighting in Irkutsk, Siberia, Cossacks and military cadets have engaged the garrison there for two days with alternating success.

ROME, Dec. 27.—Eleven Austro-German airplanes have been brought down by the British and the Italian forces in a big aerial battle which developed when the Teutons made an unsuccessful attempt to bomb Treviso, 16 miles north of Venice. Announcement to this effect was made officially.

Review of War Situation.

Virtual acceptance of the peace terms offered by Russia was made by the central powers in a statement issued to the peace conference Tuesday by Count Czernin, the Austro-Hungarian foreign minister, provided Russian allies also recognized them and carry them out honestly towards the Central powers.

Peace without forcible annexations and indemnities is agreeable to the central powers and they will conclude a general peace immediately on conditions equally just to all the belligerents. The return of Germany's lost colonies is made an essential part of the German conditions.

FORMER ACTRESS AIDS WAR RELIEF



MRS. M. J. G. EVANS

Mrs. M. J. G. Evans is devoting her talent as an actress to assisting various war relief funds in England. She was Camille Clifford, the actress, before her marriage to Hon. Lyndhurst Bruce who was killed early in the war. She then married Captain Evans of the Royal Flying Corps.

missioners as the ruling body in Russia is called. The Bolsheviks still retain ten members in the council.

Military Operations.

Military operations are confined generally to the Italian northern front. Snow has fallen along the British front in France. Paris reports three attacks on the Verdun front but says the Germans were unable to break through.

After recapturing last positions on the Col del Rosso and Monte de Hal Bella the Italians were unable to hold them. The Austro-Germans have been unable to follow up their initial success in the region west of the Brenita.

Wemyss Succeeds Jellicoe.

Admiral Sir John Jellicoe has been removed as British first sea lord and is succeeded by Admiral Sir Rosslyn Wemyss who has been second sea lord.

British merchant shipping losses for the past week show 12 ships sunk, 11 of more than 1600 tons.

OFFICIALS DOUBT CENTRAL POWERS

Conditions Surrounding Count Czernin's Proposals Cause Apprehension for Sincerity.

HUNS' DOUBLE PURPOSE

Position of United States Government Not Changed in Any Respect.

WASHINGTON, Dec. 27.—The conditions surrounding Count Czernin's proposals for a basis of peace cause officials here to feel some apprehension for their sincerity. There is a great disposition to feel that the object of the German plenipotentiaries is simply to protract the negotiations as long as possible without any expectation of an immediate peace agreement with the double purpose of leading the German people to believe that their government really is desirous of making peace and of giving time for the further strengthening of the German lines in the west.

One condition regarded as impossible for the present at least, is that the adherence of all belligerents must be secured to the peace the Germans are trying to make with Russia before it can become effective. This is accompanied by a demand for the return of the German colonies now in the possession of Russia's allies.

It can be stated authoritatively that the position of the American government is not changed in any respect with its determination not to enter into an agreement with a government which does not represent the free will of the governed. This would dispose of any hope the Germans might have that America would enter the conference.

As for the German colonies, Lloyd George recently declared that was a peace conference subject.

No provision is made in Count Czernin's proposals for the return of Alsace-Lorraine which is regarded here as a condition that must be met as a preliminary to any peace agreement.

### CENTRAL POWERS ARE READY TO TERMINATE WAR

PETROGRAD, Dec. 26.—The central powers, Count Czernin, the Austro-Hungarian foreign minister, told the peace conference at Brest-Litovsk yesterday, solemnly declare their resolve to sign immediate terms which will terminate the war on conditions equally just to all belligerents. The central powers also favor a general peace without forcible annexations and indemnities. They could not bind themselves to such terms without a guarantee that Russia's allies would recognize them and carry them out jointly toward the central powers.

Count Czernin declared that the central powers believed that the basic peace principles uttered by the Russian plenipotentiaries at the peace conference at Brest-Litovsk were the basis of such a peace. He said they shared Russia's condemnation of a continuation of the war for the sake of conquest.

All Belligerents Must Join.

It is necessary to indicate most clearly, the count added, that the Russian proposals could be realized only in the event that all belligerents obligated themselves to adhere to the terms of such a peace.

The Austro-Hungarian foreign minister declared that the central powers did not intend to forcibly annex territories seized during the war nor to deprive nations of political independence lost in the war.

The question of the subjection of nationalities who have not political independence of another country cannot be solved internationally and must be met by each government and its people in the manner established by the constitution of that government. The protection of the right of minorities is an essential part of the right of peoples to self-definition.

In the event of a mutual refusal to meet war expenditures and pay damages caused by the war, Count Czernin continued, each belligerent shall bear only the expense of its subjects made prisoner and damages caused to property of civilian subjects by deliberate violations of international law on the part of the adversary.

The creation of a special fund for this purpose, as suggested by Russia, could be discussed only in the event that the other belligerents join in the peace negotiations within a certain time.

Russian Chairman Gratified.

The chairman of the Russian delegation expressed gratification at Count Czernin's willingness to make peace with out annexations and indemnities and with the self-definition of peoples. He demurred, however, at the German statement on self-definition as being incomplete. He said the war could not end without the re-establishment of nationalities and that Russia would insist on guarantees that their lawful rights would be protected in a general peace treaty.

Count Czernin explained the opinion of the central powers in a statement which he read at the second session of the peace conference at 10 o'clock Tuesday evening.

The delegations of the allied (Teutonic) powers, acting on the clearly expressed will of their governments and peoples, will conclude as soon as possible a general peace. The delegations, in complete accord with the repeatedly expressed viewpoint of the governments, think that the basic principles of the Russian delegation can be made the basis of such a peace.

"The delegations of the quadruple alliance are agreed immediately to conclude a general peace without forcible annexations and indemnities. They share the view of the Russian delegation which condemns the continuation of the war purely for aims of conquest."

The statement of the allied (Teutonic) countries in the programs and statements have emphasized time and again that for the sake of conquest they will not prolong the war a single day. The governments of the allies have unwaveringly followed this view all the time. They solemnly declare their resolve to sign terms of peace to stop the war on these terms.

All Allies Must Agree.

"It is necessary, however, to indicate that the proposals of the Russian delegation could be realized only in case all the powers participating in the war obligate themselves scrupulously to adhere to the terms in common with all principles."

"The powers of the quadruple alliance, now negotiating with Russia, cannot, of course, one-sidedly bind themselves to such terms without having the guarantee that Russia's allies will recognize and carry out these terms honestly without reservation with regard to the quadruple alliance. Starting upon these principles and re-

garding the six clauses proposed by the Russian delegation as a basis of negotiations, the following must be stated:

Terms of Peace.

"Clause 1—Forcible annexation of territory as a result of the war does not enter into the intentions of the allied powers. About troops now occupying seized territories it must be stipulated in the peace treaty, if there is no agreement before, regarding the evacuation of these places."

"Clause 2—It is not the purpose to deprive the political independence of those nations which lost it during the war."

"Clause 3—The question of subjection to that, or the other country, of those nationalities who have not political independence cannot, in the opinion of the powers of the quadruple alliance, be solved internationally. In this case it must be solved by each government together with its peoples in a manner established by the constitution."

"Clause 4—Likewise, in accordance with the declarations of the statement of the quadruple alliance, the protection of the rights of minorities constitutes an essential part of the right of peoples to self-definition, indicated by a constitution."

"Clause 5—The governments also realize this principle in life when there is a material possibility of mutual refusal, not only to refund war expenditures, but also to pay damages caused by war. In accordance with this, each belligerent would have to bear only the expense of its subjects made war prisoners and also to pay damages caused on their own territory to civil subjects of an adversary by deliberate violation of international law. The creation of a special fund for this purpose, as suggested by the Russian government, can be discussed only in case other belligerents join in peace negotiations before the expiration of a certain time."

Germany's Colonial Possessions.

"Of all the central powers, Germany alone possesses colonies. On the part of the German delegation in full accord with the Russian proposals regarding that, the following is declared: 'The return of colonial territories forcibly seized during the war constitutes an essential part of her demands which Germany cannot renounce under any circumstances. Likewise the Russian demand for immediate evacuation of territories occupied by an adversary conforms to German intentions. Having in view all the colony territories of Germany, the realization of the right of self-determination beside the above outlined considerations in the form proposed by the Russian delegation is at present practically impossible.'"

The circumstances that in the German colonies, the natives, notwithstanding the greatest difficulties and the struggle against an adversary many times stronger and who had the advantages of unlimited import by sea, remained in the gravest circumstances faithful to their German friends may serve as proof of their attachment and their resolve by all means to preserve allegiance to Germany, proof which by its significance and weight is far superior to any expression of popular will."

"The principles of economic relations proposed by the Russian delegation in connection with the above six clauses are approved wholly by the delegations of the small allied powers who always have denied any economic relations which are in accord with the interests of all people concerned, one of the most important conditions for bringing about friendly relations between the powers now engaged in war."

Self Definition Not Complete.

Chairman Ioffe of the Russian delegation expressed gratification at the willingness of Germany to conclude peace on the basis of no annexations, no indemnities and the self-definition of peoples, but pointed out that the self-definition of peoples within the limits granted by constitutions as stated by German reply, was not complete.

"Renouncing the application of the right of the stronger nation with regard to territories occupied during the war," he said, "the powers of the quadruple alliance at the same time give all their opponents an immediate peace ground. They affirm that the right of the stronger, after unprecedented bloodshed, shall be preserved with all its integrity within each of the countries with no regard for little and oppressed nationalities."

Nationalities Must Be Re-established.

"The war cannot end without the violated rights of those nationalities being re-established. The Russian